

NON-OWNED VEHICLE TRANSPORTATION EXPOSURE

One of the most frequently asked questions by our insureds is about the insurance coverage when employees or volunteers use their own vehicles on company business. While these activities are not classified as a livery service, the transportation of clients may be part of the responsibilities assumed. Other possible activities include travel from an initial work site to another work site, the driving inherent in community-based services such as in-home care or case management and running company errands.

Fact is the employee or volunteer's automobile insurance is, in almost every case, the only insurance that will cover their personal vehicle in the case of an accident. The agency's commercial vehicle insurance will not cover losses to a personally owned vehicle, and non-owned vehicle coverage only applies to issues of liability against the agency itself.

It is very difficult and cost prohibitive for a company or agency to purchase automobile coverage for their employees or volunteers. From a risk management point of view this practice is discouraged in the strongest terms. The agency simply cannot guarantee the safety of the vehicle they are insuring. From a risk management point of view, employees and volunteers should be treated equally in regards to this exposure.

Safety is the crucial and overriding issue in employees and volunteers using their own vehicles for company business. In order to manage this exposure (loss prevention), the company should begin by clearly stating in their company policy when the use of a personal vehicle is expected and/or allowed, and employee and volunteer job descriptions should specify when driving (particularly of clients) is a job function and that use of their personal vehicle is expected.

Further suggested safeguards and policy statements include:

- An informed consent document that, as a term of employment or volunteerism, requires that the individual:
 - ⇒ Provide the company with a copy of a valid driver's license
 - ⇒ Provide the company a copy of yearly motor vehicle inspection certificates and license tag
 - ⇒ Provide the company with a copy of insurance certificates and maintain insurance on personal vehicles to a minimum limit of \$100,000/\$300,000
 - ⇒ Report the use of any and all prescribed controlled medications
- The company will, at the time of hire for all employees and volunteers and for all drivers on a yearly basis, obtain a motor vehicle record. Employees and volunteers who are not "safe" will be subject to reassignment or termination.

It is the company's responsibility to assure a safe environment for clients, employees and volunteers, regardless of where the work of the company takes place. This is one step in that direction.